

**STATE OF DELAWARE DEFERRED  
COMPENSATION PLAN**  
Dover, Delaware

**FINANCIAL STATEMENTS**  
December 31, 2007

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## **Independent Auditor's Report**

Deferred Compensation Council  
The State of Delaware  
Deferred Compensation Plan  
Dover, Delaware

We have audited the accompanying statement of net assets available for plan benefits of the State of Delaware Deferred Compensation Plan (the Plan) as of December 31, 2007, and the related statement of changes in net assets available for plan benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits as of December 31, 2007, and the changes in its net assets available for plan benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 2008, on our consideration of the Plan's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Clifton Gundersen LLP*

Newark, Delaware  
May 15, 2008

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis of the State of Delaware Deferred Compensation Plan (the Plan) financial performance provides an overview of the Plan's financial activities for the year ended December 31, 2007. The amounts included for the year ended December 31, 2006 are unaudited. It is presented as required supplemental information to the financial statements. Please read it in conjunction with the Plan's financial statements which follow this section.

**Financial Highlights**

- Net assets available for plan benefits increased by approximately \$39 million during the year from \$294 million at December 31, 2006 to \$333 million at December 31, 2007.
- Employee contributions increased from \$34.6 million for the year ended December 31, 2006 to \$37.2 million for the year ended December 31, 2007. This increase is primarily due to an increase in the number of actively contributing participants.
- Variable earnings investment income decreased from \$28.7 million for the year ended December 31, 2006 to \$23.6 million for the year ended December 31, 2007, a decrease of approximately \$5.1 million. The decrease is primarily due to less favorable market conditions in 2007 as compared to 2006.
- Benefits paid to participants increased from \$22.6 million for the year ended December 31, 2006 to \$24.7 million for year ended December 31, 2007. This increase is primarily due to increased benefit payment amounts and an increase in the number of retirees.

**Overview of the Financial Statements**

This financial report consists of the Statements of Net Assets Available for Plan Benefits and the Statements of Changes in Net Assets Available for Plan Benefits. These statements provide information about the financial position and activities of the Plan as a whole. The Notes to Financial Statements provide additional information that is essential to a full understanding of the financial statements. The notes are an integral part of the financial statements and include detailed information not readily evident in the basic financial statements

The Plan's net assets available for plan benefits increased during the year ended December 31, 2007 by \$39,016,896 from \$293,991,817 to \$333,008,713. These increases relate to generally favorable market conditions and contributions from participants partially offset by distributions to participants. The analysis below focuses on Net Assets Available for Plan Benefits (Table 1) and Changes in Net Assets Available for Plan Benefits (Table 2)

**Table 1  
Net Assets Available for Plan Benefits**

	<u><b>2007</b></u>	<u><b>2006</b></u>
Investments	\$ 333,008,713	\$ 293,991,817
<b>Net assets available for plan benefits</b>	<u><b>\$ 333,008,713</b></u>	<u><b>\$ 293,991,817</b></u>

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 2  
Changes in Net Assets Available for Plan Benefits**

	<u>2007</u>	<u>2006</u>
Additions:		
Employee contributions	\$ 37,276,802	\$ 34,574,883
Net transfers in	2,563,084	-
Interest income	299,571	312,884
Variable earnings investment income	23,560,767	28,668,929
Deductions:		
Benefits paid to participants	24,674,253	22,632,117
Brokerage Fees	<u>9,075</u>	<u>17,651</u>
<b>Increase in plan net assets</b>	<b><u>\$ 39,016,896</u></b>	<b><u>\$ 40,906,928</u></b>

**Financial Contact**

The Plan's financial statements are designed to present users with a general overview of the Plan's finances and to demonstrate the trustee's accountability. If you have questions about the report or need additional financial information, contact the Director of Defined Contribution Plans of the State of Delaware Deferred Compensation Plan at 820 Silver Lake Boulevard, Dover, Delaware 19904-2464.

## **FINANCIAL STATEMENTS**

**STATE OF DELAWARE**  
**DEFERRED COMPENSATION PLAN**  
**STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS**  
**December 31, 2007**

**INVESTMENTS**

Fixed earnings investments	\$ 6,877,519
Variable earnings investments	<u>326,131,194</u>

<b>NET ASSETS AVAILABLE FOR PLAN BENEFITS</b>	<b><u>\$ 333,008,713</u></b>
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The accompanying notes are an integral part of the financial statements.



**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS  
Year Ended December 31, 2007**

**ADDITIONS TO NET ASSETS ATTRIBUTED TO**

Employee contributions	\$ 37,276,802
Net transfers to/from other plans	2,563,084
Investment income:	
Variable earnings investment income	23,560,767
Interest income on fixed investments	<u>299,571</u>
 Total additions	 <u>63,700,224</u>

**DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO**

Benefits paid to participants	24,674,253
Brokerage fees	<u>9,075</u>
 Total deductions	 <u>24,683,328</u>

<b>NET INCREASE</b>	39,016,896
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<b>NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR</b>	<u>293,991,817</u>
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<b>NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR</b>	<u><u>\$ 333,008,713</u></u>
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The accompanying notes are an integral part of the financial statements.

**STATE OF DELAWARE**  
**DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

The State of Delaware (the State) Deferred Compensation Plan (the Plan), a defined contribution plan, was established on July 1, 1971. The purpose of the Plan is to provide a vehicle through which all employees of the State of Delaware may, on a voluntary basis, provide for additional retirement income security by deferring a portion of their current earnings.

**Contributions**

Under Plan provisions, employees of the State, the Delaware Transit Corporation and the Delaware Solid Waste Authority are eligible to contribute into the Plan through payroll deductions. There are 34,651 employees eligible to participate in the Plan. There were 13,662 employees participating in the Plan as of December 31, 2007. In accordance with Section 457 of the Internal Revenue Code (IRC), the Plan limits the amount of an individual's annual contribution to 100% of annual gross includable compensation, not to exceed \$15,500 for calendar year 2007. Special "catch-up" rules may permit an additional annual deferral up to \$5,000 for calendar year 2007 in certain circumstances.

The Plan also allows special limitation (or Section 457 Catch Up) for certain participants. The allowability of these contributions are as follows:

For one or more of the Participant's last three taxable years ending before the Participant attains Normal Retirement Age, notwithstanding the limits set above, the maximum amount that may be contributed shall be the lesser of:

- (A) Twice the dollar (\$15,500 for calendar year 2007) amount in effect under the Basic Limitation as set forth in; or
- (B) The underutilized limitation. For such purposes, the underutilized amount is the sum of:
  - (1) An amount equal to (i) the Basic Limitation identified above (\$15,500 for calendar year 2007) of the taxable year plus each calendar year beginning after December 31, 2001 during which the Participant was an Employee under the Plan reduced by (ii) the Participant's annual deferrals under the Plan during such years.
  - (2) An amount equal to such limitation as established under Section 457(b)(2) of the Code for each taxable years beginning after December 31, 1978 and before January 1, 2002 in which the Participant was eligible to participate less the amount of the Participant's annual deferrals to Pre-2002 Coordination Plans for such prior taxable year or years (disregarding any age 50 catch up deferrals). In determining the underutilized limitation for taxable years prior to 2002, the special rules set forth in Treas. Reg § 1.457-4(c)(3)(iv) shall be applied.

Amounts contributed by employees are deferred for federal and state income tax purposes until benefits are paid to the employees. The State does not make any contributions to the Plan. The State does offer a separate 401(a) "match" plan.

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Under provisions of the Small Business Job Protection Act of 1996 (SBJPA), which became effective for Plan years beginning after December 31, 1996, assets of IRC Section 457 plan must be held in a trust, custodial account, or annuity contract, for the exclusive benefit of employees and beneficiaries and will no longer be solely the property of the employer and subject only to claims of the employer's general creditors. At December 31, 2007, the Plan met the requirements of the SBJPA.

**Participant Accounts**

Employees electing to participate in the Plan may contribute to any of the following options:

- A stable value investment option administered by Fidelity Management Trust Company
- Variable earnings investments consisting of various publicly-traded mutual funds

**Payment of Benefits**

Employees may withdraw the value of the funds contributed to the Plan upon termination of employment with the employer, retirement, death, or financial hardship. Employees, or their beneficiaries, may select various payout options which include lump sum or periodic payments.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America may require management to make estimates and assumptions that affect amounts reported in financial statements and accompanying notes. Actual results may differ from those estimates.

**Investment Valuation**

Investments in the fixed earnings and stable value options are valued based on the fixed earnings rates as reported by the investment carriers or manager. The investment valuation includes contributions received plus investment income earned to date less applicable charges and amounts withdrawn. Variable earnings investments in publicly-traded mutual funds are presented at fair value based on published quotations. The stable value fund is reported at contract value, which approximates fair value. All purchases and sales of investments are recorded on a trade-date basis.

**Contributions**

Contributions are recognized when amounts are withheld from employees.

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Variable Earnings Investment Income**

Variable earnings investment income consists of dividends earned and realized and unrealized gains and losses attributed to the mutual funds supporting the variable earnings investments. Dividends are recorded on the ex-dividend date.

**Interest Income**

Interest income for the fixed investments is recorded as earned on the accrual basis.

The interest rate for the stable value investment option ranged from 4.12% to 4.37% for the year ended December 31, 2007. At December 31, 2007, the actual crediting rate was 4.37%.

**Distributions**

Distributions are recorded at the time withdrawals are made from participant accounts.

**Participants Accounts**

Earnings are credited to individual participants' accounts based upon the investment performance of each specific option selected.

**Related Party Transactions**

Certain members of the Deferred Compensation Council are participating or retired members of the Plan.

**NOTE 2 – INVESTMENTS AND DEPOSITS**

Delaware code Title 29 Section 6057 outlines the types of allowable investments of the Plan. These investments include the following:

- 1) Savings accounts in Federally insured banking institutions
- 2) United States government bonds or debt instruments
- 3) Life insurance and annuity contracts, provided the company offering such contracts are subject to regulation by the Insurance Commission of the State
- 4) Investment Funds registered under the Investment Company Act of 1940
- 5) Securities which are traded on the New York Exchange National Association of Securities Dealers Automated Quotations (NASDAQ) and American Stock Exchange

The Deferred Compensation Council has overall responsibility for ensuring the assets of the Plan are in compliance with all applicable laws governing the operation of the Plan and establishing the related investment guidelines and policies.

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

The Council has authorized the Plan to invest in the following investment types:

- Low risk mutual funds which includes money market securities and/or stable value investments with a short-term (1-4 years) average duration.
- Balanced mutual funds which include domestic and international stocks, bonds and cash.
- Equity mutual funds that differ in investment style (growth vs. value) and capitalization bias (large cap, mid cap and small cap).
- Intermediate bond mutual funds which includes mutual funds that own investment grade debt securities with an intermediate term (3-10 years) average duration.
- International mutual funds which includes mutual funds that invest in securities of countries outside the U.S. and diversify their investments across a broad range of markets and securities.

The fair or contract value of investments held in the name of the Plan at December 31, 2007 were as follows:

Fixed earnings investments:		
Stable value option	\$	6,877,519 *
Variable earnings investments:		
Fidelity Money Market Trust Retirement Money Market Portfolio		27,939,552 *
Fidelity Equity-Income II Fund		27,745,692 *
Fidelity Freedom 2020 Fund		23,403,438 *
Vanguard Institutional Index Fund		20,740,813 *
Fidelity Freedom 2010 Fund		18,386,211 *
Fidelity Freedom 2030 Fund		12,034,968
Fidelity Aggressive Growth Fund		9,229,045
Fidelity Diversified International Fund		7,862,709 **
Fidelity Freedom 2015 Fund		7,856,962
Fidelity Puritan Fund		6,908,084
PIMCO Total Return Fund		6,531,324
Fidelity Capital Appreciation Fund		6,442,361
Fidelity Freedom 2025 Fund		6,020,516
Brokeragelink		5,623,188
Legg Mason Value Institutional Fund		5,298,376
Fidelity Dividend Growth Fund		5,288,239
Fidelity Contrafund		5,171,670
Vanguard Windsor Administrative Fund		4,310,962
Fidelity Low-Priced Stock Fund		3,880,502
Janus Worldwide Fund		3,814,502 **
Fidelity Balanced Fund		3,768,169

Investments marked with an asterisk (\*) represent individual investment options, which exceed 5% of the net assets available for plan benefits as of December 31, 2007. Investments marked with two asterisk (\*\*) represent international mutual funds

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

Variable earnings investments (continued):

Fidelity Freedom 2040 Fund	\$ 3,606,736	
Fidelity Fund	3,284,311	
Fidelity Select Money Market Portfolio	3,203,585	
Fidelity Freedom 2035 Fund	2,551,933	
Fidelity Freedom 2000 Fund	2,292,492	
Fidelity Growth Company Fund	2,208,327	
Fidelity Leveraged Company Stock Fund	2,199,809	
Fidelity Cash Reserves	2,150,476	
Fidelity Value Fund	2,117,293	
Fidelity Freedom Income Fund	1,839,111	
Fidelity Mid Cap Stock Fund	1,796,522	
Fidelity Latin America Fund	1,723,691	**
Domini Social Equity Fund	1,680,988	
Spartan U.S. Equity Index Fund-Fidelity Advantage Class	1,678,907	
Oakmark Equity & Income Fund	1,658,492	
Fidelity Blue Chip Growth Fund	1,629,294	
Fidelity Four In One Index	1,416,237	
Fidelity International Discovery Fund	1,405,467	**
Fidelity Canada Fund	1,400,220	**
Fidelity Select Technology Portfolio	1,375,280	
Fidelity Select Energy Portfolio	1,295,919	
Fidelity Freedom 2005 Fund	1,269,685	
Fidelity Equity-Income Fund	1,209,495	
Baron Growth Fund	1,191,646	
Fidelity Money Market Trust Retirement Government Money Market	1,093,937	
Fidelity Southeast Asia Fund	1,083,049	**
Fidelity Capital & Income Fund	1,041,402	
Fidelity Select Defense and Aerospace Portfolio	1,040,521	
Vanguard Morgan Growth Administrative Fund	979,548	
Fidelity U.S. Government Reserves	944,731	
Fidelity Small Cap Stock Fund	900,830	
Fidelity U.S. Bond Index Fund	893,176	
Fidelity Government Income Fund	890,531	
Fidelity Asset Manager 20%	869,246	
Fidelity Select Biotechnology Portfolio	850,696	
Spartan Total Market Index Fund-Fidelity Advantage Class	846,912	
Spartan International Index Fund-Fidelity Advantage Class	846,747	**
Fidelity Asset Manager 70%	841,331	
Fidelity Emerging Markets Fund	840,860	**
Fidelity Export and Multinational Fund	839,009	
Janus Adviser International Growth Fund S	825,116	**
Fidelity Select Natural Gas Portfolio	812,647	
Fidelity Select Energy Service Portfolio	805,385	
Fidelity Select Healthcare Portfolio	797,175	
Janus Mid Cap Value Investor	793,969	
Fidelity Strategic Income Fund	773,425	
American Beacon Large Cap Value Institutional	765,345	
Fidelity Intermediate Bond Fund	726,487	

**STATE OF DELAWARE**  
**DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

Variable earnings investments (continued):

Fidelity Select Gold Portfolio	\$ 722,031	
Fidelity China Region Fund	713,723	**
Fidelity Real Estate Investment Portfolio	701,620	
Fidelity New Markets Income Fund	695,099	
Fidelity International Small Cap Fund	691,839	**
Fidelity Select Electronics Portfolio	672,402	
Fidelity Select Natural Resources Portfolio	667,202	
Alger Capital Appreciation Institutional Fund I	664,656	
Neuberger Berman Genesis Trust Fund	654,349	
Fidelity Fifty	653,329	
Fidelity Ginnie Mae Fund	650,353	
Franklin Mutual Discovery CL A	640,048	**
Fidelity Growth Discovery Fund	621,675	
Alger Midcap Growth Institutional Fund I	606,691	
AIM Basic Balanced Investment Fund	604,322	
USAA Income Fund	603,733	
Fidelity Freedom 2045 Fund	602,874	
Fidelity Asset Manager 85%	596,474	
Fidelity Growth & Income Portfolio	591,110	
Fidelity Select Wireless Portfolio	589,521	
Fidelity Independence Fund	563,970	
Fidelity Asset Manager 50%	536,125	
Wells Fargo Advantage Small Cap Value Fund Z	521,332	
Fidelity Large Cap Stock Fund	491,854	
Fidelity Convertible Securas Fund	487,080	
Mutual Shares Class A	472,989	
Fidelity Mega Cap Stock Fund	460,320	
Oakmark Select Fund I	458,059	
Fidelity Short Term Bond Fund	435,892	
FPA Crescent Portfolio	431,079	
Fidelity Select Medical Delivery Portfolio	420,893	
Templeton Growth Fund A	414,278	**
Ariel Appreciation Fund	407,050	
Morgan Stanley Institutional Emerging Markets P	402,418	**
Royce Low Priced Stock Institutional Fund	398,691	
Allianz NFJ Small Cap Value Administrative Fund	377,014	
Templeton Global Bond Fund A	376,010	
Fidelity Europe Capital Appreciation Fund	369,967	**
Fidelity Investment Grade Bond Fund	369,901	
PIMCO High Yield Admin Fund	369,438	
Fidelity Select Medical Equipment and Systems Portfolio	353,425	
Templeton Developing Markets Fund A	350,852	**
Fidelity OTC Portfolio	343,283	
Spartan Extended Market Index Fund-Fidelity Advantage Class	340,254	
Fidelity Select Computers Portfolio	336,760	
Fidelity Select Software & Computer Services Portfolio	333,513	
Fidelity Blue Chip Value Fund	324,866	

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

Variable earnings investments (continued):

Fidelity Mid Cap Value Fund	\$	321,090	
USAA Growth Fund		311,072	
Janus Flexible Bond Fund		309,771	
Lord Abbett Mid Cap Value Fund A		307,805	
Fidelity Global Balanced Fund		307,227	**
Fidelity International Real Estate		299,274	**
Fidelity Overseas Fund		287,474	**
Artisan International Investment Fund		283,498	**
Fidelity Large Cap Value Fund		282,478	
Templeton Foreign Fund A		280,095	**
Ariel Fund		279,248	
Fidelity Value Discovery Fund		262,530	
Wells Fargo Advantage Growth Fund-Investor Class		257,949	
Fidelity Intermediate Government Income Fund		251,797	
Fidelity Nordic Fund		249,379	**
Fidelity Pacific Basin Fund		249,295	**
Managers Bond Fund		241,560	
Janus Adviser Forty Fund S		241,067	
Fidelity Select Utilities Growth Portfolio		225,624	
Baron Asset Fund		218,774	
Fidelity Japan Smaller Companies Fund		215,356	**
Fidelity High Income Fund		214,216	
Franklin Small-Mid Cap Growth Fund A		214,128	
Fidelity Freedom 2050 Fund		213,882	
DWS Dreman High Return Equity Fund A		213,477	
Fidelity Trend Fund		212,454	
Fidelity Utilities Fund		205,914	
PIMCO Long-Term U.S. Government Admin Fund		194,738	
Fidelity Aggressive International Fund		192,460	**
Fidelity Select Consumer Staples Portfolio		185,837	
Templeton World Fund A		181,143	**
Fidelity International Small Cap Opportunities Fund		178,166	**
Fidelity Europe Fund		167,448	**
PIMCO Low Duration Admin Fund		167,014	
American Funds New Perspective R5		162,695	
Oakmark Fund I		161,700	
Fidelity Disciplined Equity Fund		161,351	
Neuberger Berman Partners Trust Fund		161,135	
Fidelity Select Materials Portfolio		160,064	
Dreyfus Premier Core Value CL I		154,896	
Fidelity Select Communications Equipment Portfolio		150,746	
American Beacon International Equity Plan Ahead CL		150,559	**
Fidelity Inflation-Protected Bond Fund		148,603	
Fidelity Nasdaq Composite Index		147,439	
Fidelity Small Cap Independence Fund		136,140	
Fidelity Mid Cap Growth Fund		135,167	
Fidelity Small Cap Retirement Fund		132,965	
PIMCO Global Bond (Unhedged) Admin Fund		132,594	



**STATE OF DELAWARE**  
**DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

Variable earnings investments (continued):

Fidelity Select Telecommunications Portfolio	\$	131,466	
Fidelity Worldwide Fund		131,324	**
Fidelity Select Leisure Portfolio		130,941	
Fidelity Japan Fund		129,415	**
Morgan Stanley Institutional U.S. Large Cap Growth I		123,964	
Neuberger Berman Guardian Trust CL		121,693	
USAA International Fund		120,223	**
Morgan Stanley Institutional Mid Cap Growth Fund P		119,420	
Allianz CCM Capital Appreciation Administrative Fund		119,045	
Van Kampen Growth & Income Class A		118,468	
Alger Small Cap Growth Institutional Fund I		115,942	
Artisan Mid Cap Investment Fund		110,973	
Dreyfus Founders Discovery Fund F		110,056	
Fidelity Small Cap Value Fund		109,481	
Fidelity Select Financial Services Portfolio		105,190	
Spartan Short-Term Treasury Bond Index Fund-Investor Class		105,136	
Fidelity Large Cap Growth Fund		103,989	
Wells Fargo Advantage Government Security Fund		101,316	
Fidelity Select Brokerage and Investment Management Portfolio		101,142	
USAA Emerging markets Fund		96,266	**
Rice Hall James Micro Cap Portfolio		95,556	
Wells Fargo Advantage Opportunity Fund		95,504	
Fidelity Select Chemicals Portfolio		95,070	
Wells Fargo Advantage Discovery Fund-Investor Class		92,527	
Dreyfus Founders Mid Cap Growth Fund F		91,695	
AIM Dynamics Investment Mutual Fund		90,215	
Fidelity Select Banking Portfolio		89,854	
Janus Adviser Balanced Fund S		88,872	
AIM Basic Value Fund A		87,704	
Fidelity Mortgage Securities Portfolio		86,301	
Fidelity Small Cap Growth Fund		83,642	
Allianz CCM Mid Cap Administrative Fund		78,783	
Fidelity Select Pharmaceuticals Portfolio		78,372	
Old Mutual Developing Growth Fund Z		72,576	
USAA Cornerstone Strategy Fund		70,179	
Fidelity Select Insurance Portfolio		69,764	
Morgan Stanley Institutional Core Plus FI P		69,698	
American Beacon Balanced Plan Ahead CL		69,496	
AIM Small Capital Growth Investment Fund		68,455	
Morgan Stanley Institutional Small Co Growth Fund P		68,163	
Fidelity Value Strategies Fund		67,248	
Fidelity Focused Stock Fund		66,188	
Fidelity Strategic Dividend and Income Fund		66,155	
Fidelity Stock Selector		65,155	
Morgan Stanley Institutional Active International Alloc Fund P		64,431	**
Templeton Foreign Smaller Companies Fund A		57,557	**
AIM Global Aggressive Growth Fund A		55,276	**
Western Asset Core Bond FI CL		55,243	

**STATE OF DELAWARE**  
**DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

Variable earnings investments (continued):

Fidelity Select Home Finance Portfolio	\$ 55,051
AIM Diversified Dividend Investment Fund	52,789
Dreyfus Founders Equity Growth Fund A	52,291
Credit Suisse Small Cap Core Comm Fund	51,522
FMA Small Company Portfolio	51,362
American Century Large Company Value Investor	50,937
Wells Fargo Advantage Common Stock Z Fund	48,632
Fidelity Select Construction and Housing Portfolio	47,626
Fidelity Select Networking and Infrastructure Portfolio	47,365
Fidelity Real Estate Income Fund	46,000
Neuberger Berman Socially Resp Trust Fund	42,443
American Beacon Small Cap Value Plan	39,230
American Century Small Company Investor	38,813
Fidelity Select Industrials Portfolio	37,190
Credit Suisse Large Cap Value A	37,062
Fidelity Select IT Services Portfolio	36,405
Fidelity Floating Rate High Income Fund	36,300
Fidelity Select Transportation Portfolio	36,135
Dreyfus Founders Equity Growth Fund F	34,780
Fidelity Total Bond Fund	34,184
Old Mutual Mid Cap Fund Z	33,790
USAA GNMA Trust Fund	31,778
TCW Select Equities Fund N	29,658
Fidelity Select Air Transportation Portfolio	29,135
USAA Income Stock Fund	29,104
AIM Mid Cap Core Equity Fund A	28,141
Fidelity Industrial Equipment Portfolio	27,572
Credit Suisse Large Capital Growth Fund	27,465
Fidelity Select Retailing Portfolio	25,596
Managers Special Equity Fund I	25,521
Lehman Brothers Core Bond Neub Investor Class	25,246
Calvert Social Investment Balanced CL A	25,098
Dreyfus Founders Worldwide Growth Fund F	24,619 **
Wells Fargo Advantage Ultra S/T Income Fund	24,003
McKee International Equity Inst CL	22,690 **
Janus Adviser Large Cap Growth Fund S	21,942
Morgan Stanley Institutional Global Value Equity Fund P	19,941 **
Loomis Sayles Small Cap Value Retail CL	19,374
American Beacon Short Term Bond Plan Ahead CL	18,520
Fidelity Select Multimedia Portfolio	17,923
Wells Fargo Advantage Large Cap Gr Investment Fund	16,350
Morgan Stanley Institutional International Equity P	16,208 **
Fidelity Total International Equity Fund	16,169 **
Fidelity International Value Fund	16,168 **
AIM Constellation Fund A	15,408
Fidelity Institutional Short-Intermediate Government Fund	14,892
Dreyfus Founders Balanced Fund F	14,889
Fidelity Select Paper & Forest Products Portfolio	14,431

**STATE OF DELAWARE**  
**DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

Variable earnings investments (continued):

Neuberger Berman Focus Trust Fund	\$ 14,174
Fidelity Select Automotive Portfolio	13,740
Janus Adviser Flexible Bond Fund S	12,095
Fidelity Select Environmental Portfolio	12,058
Credit Suisse Global Fixed Income Com Fund	11,791
Morgan Stanley Institutional High-Yield Fund P	11,481
Calvert Social Investment Equity CL A	10,639
Janus Adviser Worldwide Fund S	10,296 **
Fidelity Ultra short Bond Fund	10,209
Fidelity Strategic Real Return Fund	9,873
Fidelity Focused High Income	9,489
Fidelity Select Consumer Discretionary Portfolio	8,054
Credit Suisse Mid Cap Core Comm Fund	7,888
Old Mutual Large Cap Fund Z	7,845
Old Mutual Developing Growth Fund Class Z	7,554
Calvert New Vision Small Cap CL A	7,407
AIM Large Capital Growth Fund A	7,365
Morgan Stanley Institutional Balanced P Fund	7,017
Neuberger Berman Mid Cap Growth Trust Fund	6,703
Wells Fargo Advantage Short-Term Bond Fund-Investor Class	6,488
Dreyfus Founders Passport Fund F	5,931 **
DWS Growth & Income Fund S	5,132
Calvert World Values International Equity CL A	3,788 **
Calvert Capital Accumulation CL A	3,544
Morgan Stanley Institutional International Magnum Fund P	3,266 **
Spartan Intermediate Treasury Bond Index Fund-Investor Class	2,680
American Century Ultra Investment Fund	2,487
Old Mutual Strategic Small Company Fund Z	1,679
Fidelity New Millennium Fund	1,074
TCW Small Cap Growth Fund N	500
Spartan Long term Treasury Bond Index Fund-Investor Class	368
Credit Suisse International Focus Com Fund	305 **
Managers AMG Essex Large Cap Growth Fund	202
Fidelity Large Cap Growth Enhanced Index Fund	87
Fidelity Large Cap Core Enhanced Index Fund	77
Fidelity Asset Manager 30% Fund	20
Fidelity Asset Manager 40% Fund	20
Fidelity International Growth Fund	20 **
Fidelity Asset Manager 60% Fund	20
Fidelity Large Cap Value Enhanced Index Fund	20

**Total Investments**

\$ 333,008,713

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

**Custodial credit risk** is the risk that, in the event of a failure of the counterparty, the Plan would not be able to recover the value of its deposits, investments, or collateral securities that were in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured or not registered in the name of the Plan and are held by either the counterparty or the counterparty's trust department or agent, but not in the Plan's name. Investments in Fidelity fixed earnings investments are held in the Plan's name by Fidelity, agent of the Plan; the remaining investments are held in a trust account for the benefit of the Plan. As a result the investments of the Plan are not exposed to custodial credit risk.

**Interest rate risk** is the risk that changes in interest rates that will adversely affect the value of an investment.

As of December 31, 2007, the Plan had the following investments and maturities in its fixed earnings investments and 93 of its mutual funds which include investments in bonds.

	<u>Fair Value</u>	<u>Weighted Avg. Maturity</u>
Fixed earnings investments:		
Stable value option	\$ 6,877,519	2.80
Variable earnings investments:		
Fidelity Ginnie Mae Fund	650,353	6.10
Fidelity Investment Grade Bond Fund	369,901	5.70
Fidelity Intermediate Bond Fund	726,487	4.00
Fidelity Capital & Income Fund	1,041,402	7.30
Fidelity Mortgage Securities Portfolio	86,301	4.90
Fidelity Government Income Fund	890,531	4.80
Fidelity Freedom Income Fund	1,839,111	3.90
Fidelity Freedom 2000 Fund	2,292,492	3.89
Fidelity Freedom 2010 Fund	18,386,211	4.68
Fidelity Freedom 2020 Fund	23,403,438	5.36
Fidelity Freedom 2030 Fund	12,034,968	5.78
Fidelity Short Term Bond Fund	435,892	2.50
Fidelity Intermediate Government Income Fund	251,797	3.80
Fidelity High Income Fund	214,216	6.20
Fidelity U.S. Bond Index Fund	893,176	5.40
Fidelity Institutional Short-Intermediate Government Fund	14,892	3.00
Fidelity Freedom 2040 Fund	3,606,736	6.19
Fidelity Inflation-Protected Bond Fund	148,603	8.40
Fidelity Ultrashort Bond Fund	10,209	1.80
Fidelity Floating Rate High Income Fund	36,300	4.80
Fidelity Total Bond Fund	34,184	5.50
Fidelity Freedom 2005 Fund	1,269,685	4.63

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

	<b>Fair Value</b>	<b>Weighted Avg. Maturity</b>
Variable earnings investments (continued):		
Fidelity Freedom 2015 Fund	\$ 7,856,962	4.95
Fidelity Freedom 2025 Fund	6,020,516	5.52
Fidelity Freedom 2035 Fund	2,551,933	5.88
Fidelity Focused High Income	9,489	9.20
Spartan Short-term Treasury Bond Index Fund-Investor Class	105,136	2.50
Spartan Intermediate Treasury Bond Index Fund-Investor Class	2,680	6.00
Spartan Long-term Treasury Bond Index Fund-Investor Class	368	17.70
Fidelity Freedom 2045 Fund	602,874	6.33
Fidelity Freedom 2050 Fund	213,882	6.62
PIMCO Total Return Fund	6,531,324	6.58
Janus Adviser Balanced Fund S	88,872	6.40
Janus Adviser Flexible Bond Fund S	12,095	6.70
American Beacon Short Term Bond PlanAhead CL	18,520	1.80
Calvert Social Investment Balanced CL A	25,098	4.75
Lehman Brothers Core Bond Neub Investor Class	25,246	7.65
Dreyfus Founders Balanced Fund F	14,889	7.04
Morgan Stanley Institutional High-Yield Fund P	11,481	5.91
Oakmark Equity & Income Fund	1,658,492	3.20
Pimco Global Bond (Unhedged) Admin Fund	132,594	8.86
Pimco High Yield Admin Fund	369,438	7.98
Pimco Low Duration Admin Fund	167,014	1.25
Legg Mason Value Institutional Fund	5,298,376	18.76
Templeton Global Bond Fund A	376,010	4.96
USAA Cornerstone Strategy Fund	70,179	6.14
USAA GNMA Trust Fund	31,778	5.93
USAA Income Fund	603,733	6.64
Credit Suisse Global Fixed Income Com Fund	11,791	7.54
Managers Bond Fund	241,560	16.95
Western Asset Core Bond FI CL	55,243	6.74
AIM Basic Balanced Investment Fund	604,322	7.07

The mutual funds in the chart listed on the following page do not have a weighted average maturity. Fidelity provided the following information related to the duration of their investments:

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

		<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>
		<b>1-3 Yr</b>	<b>3-5 Yr</b>	<b>5-7 Yr</b>	<b>7-10 Yr</b>	<b>10-15 Yr</b>	<b>15-20 Yr</b>	<b>20-30 Yr</b>	<b>30+ Yr</b>
	<b>Fair Value</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Variable earnings investments:									
Fidelity Puritan Fund	\$ 6,908,084	7.73	22.12	9.30	13.02	3.21	2.25	35.60	6.77
Fidelity Select Electronics Portfolio	672,402	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fidelity Equity-Income Fund	1,209,495	0.00	22.94	0.00	21.82	13.43	0.00	41.82	0.00
Fidelity Pacific Basin Fund	249,295	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fidelity Balanced Fund	3,768,169	9.38	24.44	7.88	12.33	3.12	2.09	34.21	6.55
Fidelity Convertible Securities Fund	487,080	1.84	23.12	6.90	8.92	1.94	32.35	10.88	14.04
Fidelity Asset Manager 50%	536,125	5.02	11.08	6.12	12.12	7.42	6.44	42.58	9.21
Fidelity Asset Manager 70%	841,331	5.02	11.08	6.12	12.12	7.42	6.44	42.58	9.21
Fidelity Asset Manager 20%	869,246	5.02	11.08	6.12	12.12	7.42	6.44	42.58	9.21
Fidelity New Markets Income Fund	695,099	1.47	9.84	11.18	17.00	15.73	11.24	25.00	8.54
Fidelity Asset Manager 85%	596,474	5.02	11.08	6.12	12.11	7.42	6.43	42.59	9.22
Fidelity Southeast Asia Fund	1,083,049	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fidelity Four In One Index	1,416,237	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fidelity Strategic Income Fund	773,425	10.43	14.99	16.28	22.63	5.94	4.86	21.25	3.62
Fidelity Real Estate Income Fund	46,000	12.38	19.63	16.61	14.18	2.70	5.99	23.66	4.86
Fidelity Strategic Dividend and Income Fund	66,155	0.00	0.00	0.00	0.00	0.00	0.00	44.24	55.76
Fidelity International Real Estate	299,274	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fidelity Strategic Real Return Fund	9,873	9.92	23.35	28.91	16.96	0.34	15.43	4.63	0.46
Fidelity Asset Manager 30% Fund	20	5.02	11.08	6.12	12.11	7.42	6.44	42.59	9.21
Fidelity Asset Manager 40% Fund	20	5.02	11.08	6.12	12.11	7.42	6.44	42.59	9.21
Fidelity Asset Manager 60% Fund	20	5.02	11.08	6.12	12.11	7.42	6.43	42.60	9.21
American Beacon Balanced PlanAhead CL	69,496	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Templeton Foreign Smaller Companies Fund A	57,557	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Franklin Mutual Discovery CL A	640,048	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Calvert New Vision Small Cap CL A	7,407	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

		<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>	<b>Maturity</b>
		<b>1-3 Yr</b>	<b>3-5 Yr</b>	<b>5-7 Yr</b>	<b>7-10 Yr</b>	<b>10-15 Yr</b>	<b>15-20 Yr</b>	<b>20-30 Yr</b>	<b>30+ Yr</b>
	<b>Fair Value</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Variable earnings investments (continued):									
Calvert Social Investment Equity CL A	\$ 10,639	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Calvert Capital Accumulation CL A	3,544	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FPA Crescent Portfolio	431,079	46.08	17.83	6.85	18.89	10.26	0.00	0.08	0.00
Morgan Stanley Institutional Balanced P Fund	7,017	3.26	5.62	1.25	25.13	3.39	0.85	42.64	17.86
Mutual Shares Class A	472,989	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oakmark Select Fund I	458,059	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oakmark Fund I	161,700	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wells Fargo Advantage Ultra S/T Income Fund	24,003	30.03	10.59	3.49	2.36	4.16	6.04	36.52	6.80
Wells Fargo Advantage Short-Term Bond Fund-Investor Class	6,488	23.05	20.81	6.64	1.73	7.24	5.75	27.87	6.91
Wells Fargo Advantage Opportunity Fund	95,504	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wells Fargo Advantage Government Security Fund	101,316	4.73	13.34	6.08	8.71	11.97	4.66	38.53	11.97
Templeton Developing Markets Fund A	350,852	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Templeton Growth Fund A	414,278	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Templeton World Fund A	181,143	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
American Funds New Perspective R5	162,695	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**STATE OF DELAWARE  
DEFERRED COMPENSATION PLAN  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 2 – INVESTMENTS AND DEPOSITS (CONTINUED)**

**Credit risk** is the risk that the Plan will lose money because of the default of the security of the issuer or investment counterparty. The stable value option and the variable earnings mutual funds are unrated.

**Concentration of credit risk** is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investments are managed by several fund managers. The concentrations of investments are determined by the participants' elections to invest in the available investment options as selected by the Council. The investments that exceed 5% are identified on page 11 through 17.

**Foreign Currency Risk** is the risk that changes in exchange rates will adversely affect the fair value of the investment. The Plan allows the option of investments in mutual funds of countries outside the U.S. that invest in securities not required to disclose the individual assets within the fund. The fair value of these investments was \$27,240,004 as of December 31, 2007. The individual funds are identified on page 11 through 17.

**NOTE 3 – PLAN ADMINISTRATION**

The Plan administrator is Fidelity Management Trust Company (FMTC).

Participants may also select a Self-Directed brokerage account. The annual account fee for this account was waived for 2007. The fees charged are netted against participant accounts and are not reflected as administrative expenses. Brokerage fees charged to participants during 2007 were \$9,075.

**NOTE 4 – TAX STATUS**

In the opinion of the legal counsel, the Plan is an eligible deferred compensation plan as defined by Section 457 to the IRC. Accordingly, any amount of compensation deferred under the Plan and any income attributable to the amounts so deferred shall be included in the gross income of the participant only for the taxable year in which such compensation or other income is paid or, otherwise, made available to the participant or their beneficiary.

**NOTE 5 – PLAN TERMINATION**

The State may terminate the Plan at any time, although no intent to terminate the Plan has been expressed. In the event of termination, all participants will remain fully vested.



**STATE OF DELAWARE**  
**DEFERRED COMPENSATION PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 6 – RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

Deferred Compensation Council  
The State of Delaware Deferred Compensation Plan  
Dover, Delaware

We have audited the basic financial statements of the State of Delaware Deferred Compensation Plan (the Plan) as of and for the year ended December 31, 2007 and have issued our report thereon dated May 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Plan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in a normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Plan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than remote likelihood that a misstatement of the Plan's financial statements that is more than inconsequential will not be prevented or detected by the Plan's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Plan's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plan's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Deferred Compensation Council, Management and other oversight agencies and is not intended to be and should not be used by anyone other than these specified parties. However, under 29 Del.C., Section 10002(d), this report is a public record and its distribution is not limited.

*Clifton Gunderson LLP*

Newark, Delaware  
May 15, 2008